

Regulatory framework for infrastructure sector

775. SHRI SANTOSH BAGRODIA:
MS. MABEL REBELLO:

Will the Minister of FINANCE be pleased to state:

(a) whether regulator's dependence on line Ministry to get its budget approved limits regulatory autonomy, as number and nature of staff, appointing consultants, market investigation etc. are activities which can be controlled through budget allocation; and

(b) whether Government are considering granting autonomy to regulatory bodies to raise their own resources by way of fees, levy etc. and if not, the reasons, therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) There are statutory provisions which establish regulator's independence from line Ministry. The Electricity Act, 2003 provides for constitution of a fund for each of the Regulatory Commissions. Any grants and loans, fees and sums received by the Commission under the Act are credited to the Fund. The Fund is applied for meeting the expenses of the Commissions as per provisions of the Act. Fund for the Central Electricity Regulatory Commission has already been operationalized. Under this Act, the Commissions can appoint officers and employees and also specify the numbers, nature and categories as well as their terms and conditions of service with the approval of the appropriate Government. As far as TRAI is concerned the amount projected by it is incorporated in the Budget Estimates sent to Ministry of Finance and funds are released as and when request is received from the Authority. The Tariff Authority for Major Ports is dependent on Department of Shipping for getting its budget approved. As far as appointment is concerned TAMP can make certain appointments on its own but major appointments are done by the Department of the Shipping.

(b) Under Electricity Act, 2003, the Regulatory Commissions have powers to levy fees through regulations. Similarly, TRAI can levy fees and other charges in respect of services rendered by it.